



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

Agency: Department of Retirement Systems

☒ **Preproposal Statement of Inquiry was filed as WSR 03-23-005 & 04-17-001**

; or

☐ **Expedited Rule Making--Proposed notice was filed as WSR _____; or**

☐ **Proposal is exempt under RCW 34.05.310(4).**

☒ **Original Notice**

☐ **Supplemental Notice to WSR _____**

☐ **Continuance of WSR _____**

Title of rule and other identifying information:

WAC 415-103-275 How do I designate a beneficiary, and who will receive a distribution if I die before retirement?

WAC 415-104-450 How do I designate a beneficiary, and who will receive a distribution if I die before retirement?

WAC 415-108-315 How do I designate a beneficiary, and who will receive a distribution if I die before retirement?

WAC 415-110-315 How do I designate a beneficiary, and who will receive a distribution if I die before retirement?

WAC 415-112-705 How do I designate a beneficiary, and who will receive a distribution if I die before retirement?

Hearing location(s):

Department of Retirement Systems
6835 Capitol Blvd.; Conference Room 115
Tumwater, Washington

Date: May 12, 2005 Time: 9:30 AM

Submit written comments to:

Leslie L. Saeger, Rules Coordinator
Department of Retirement Systems
P.O. Box 48380; Olympia, WA. 98504-8380
Email: leslies@drs.wa.gov
Fax: (360) 753-3166 by 5:00 p.m. on May 12, 2005

Assistance for persons with disabilities:

Leslie Saeger, Rules Coordinator by May 2, 2005
TDD (360) 664-7291 TTY (360) 586-5450
Phone (360) 664-7291

Date of intended adoption: May 13, 2005

(Note: This is **NOT** the **effective** date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules:

These rules clarify the requirements and process for an active member to name a beneficiary or beneficiaries. A provision is also being added to address situations in which a surviving spouse is eligible to receive a benefit, but dies before requesting a distribution.

These rules affect members of the Washington State Patrol Retirement System, Law Enforcement Officers' and Fire Fighters' Retirement System, Public Employees' Retirement System, School Employees' Retirement System and the Teachers' Retirement System.

Reasons supporting proposal:

Statutory authority for adoption: RCW 41.50.050(5)

Statute being implemented:

Is rule necessary because of a:

Federal Law?

☐ Yes ☒ No

Federal Court Decision?

☐ Yes ☒ No

State Court Decision?

☐ Yes ☒ No

If yes, CITATION:

CODE REVISER USE ONLY

Filed with the Office of the Code Reviser

March 30, 2005

WSR 05-08-030

DATE March 30, 2005

NAME Leslie Saeger

SIGNATURE

TITLE Rules and Contracts Coordinator

(COMPLETE REVERSE SIDE)

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Name of proponent: (person or organization)

Department of Retirement Systems

☐ Private

☐ Public

☒ Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Leslie Saeger	PO Box 48380, Olympia, WA 98504-8380	(360) 664-7291
Implementation.... Dorothy Bailey	PO Box 48380, Olympia, WA 98504-8380	(360) 664-7291
Enforcement..... Dorothy Bailey	PO Box 48380, Olympia, WA 98504-8380	(360) 664-7291

Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

☒ No. Explain why no statement was prepared.

These rules have no effect on businesses.

Is a cost-benefit analysis required under RCW 34.05.328?

☐ Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

☒ No: Please explain:

The Department of Retirement Systems is not one of the named departments in this section (RCW 34.05.328)

NEW SECTION

WAC 415-103-275 How do I designate a beneficiary, and who will receive a distribution if I die before retirement? This section applies to members commissioned on or after January 1, 2003.

(1) You may designate or change a beneficiary by submitting a Beneficiary Designation form to the department. Your designation will become effective upon the department's receipt of the form, only if it is completed properly and signed by you and a witness.

(2) You may name one or more of the following as a beneficiary or beneficiaries:

(a) An organization or person, including unborn or later adopted children. However, unborn or later adopted children must be specifically designated as beneficiaries on the form. You must indicate the date of birth for any living person you name as a beneficiary.

(b) Your estate.

(c) An existing trust, or a trust to be established at a later date or under your last will. If you designate a trust that is not in existence at the time of your death, or is not created under your last will, the designation will be invalid. Before making distribution to any trust, the department must receive:

(i) A copy of the entire trust document;

(ii) The name, address, telephone number of the current trustee; and

(iii) The tax identification number.

(3) You may name contingent beneficiaries in addition to primary beneficiaries.

(4) You may change your beneficiary designation at any time.

(5) A change in marital status may invalidate your prior designation.

(6) Your named beneficiary may not necessarily receive a distribution if you die prior to retirement. (See example three.) Distribution is governed by RCW 43.43.295.

(7) If your surviving spouse is eligible to receive a benefit under RCW 43.43.295(2), but your spouse dies before requesting a distribution, your minor children and your spouse's minor children will receive the benefit, share and share alike, until each child reaches the age of majority. See example four.

EXAMPLE ONE.

Facts

John, a member, completes a Beneficiary Designation form. In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists the "Barbara Trust." His daughter Barbara is the trust beneficiary. He checks the box to indicate that the trust is a primary beneficiary.

Result

At John's death, Ann and the Barbara Trust are the primary beneficiaries. The department will require the name of the trustee, the tax identification number, a copy of the entire trust and other information specified in this rule before distribution to the trust. Distribution is governed by RCW 43.43.295.

EXAMPLE TWO.

Facts

John, a member, completes a Beneficiary Designation form. In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists his daughter Barbara personally; i.e., no trust name is provided. John checks the corresponding box to indicate a primary beneficiary designation. At John's death, the department learns that John has created no trusts.

Result

Because John has created no trust, the designation of the Barbara Trust is void. Barbara, personally, will not be a beneficiary.

EXAMPLE THREE.

Facts

When she became a WSPRS member, Joan named her mother as her beneficiary. Joan later married, but did not file a new beneficiary form before she died with eleven years of service.

Result

Unless required to do otherwise by court order, the department will comply with RCW 43.43.295(2) and pay Joan's surviving spouse either a retirement allowance or lump sum. In this case, Joan's mother will not receive a distribution.

EXAMPLE FOUR.

Facts

John is a member with eleven years of service. He and his wife Mary have a total of three minor children. They have one child together, and each has one child from a previous marriage.

John and Mary were in a skydiving accident. John died instantly making Mary eligible for a benefit under RCW 43.43.295(2). However, Mary died the following week before requesting a distribution from the department.

Result

Since Mary died before requesting a distribution of John's account, John and Mary's three minor children are eligible to receive a monthly benefit, share and share alike.

AMENDATORY SECTION (Amending WSR 00-10-017, filed 4/21/00, effective 5/22/00)

WAC 415-104-450 ~~((Designation of beneficiaries--Death benefit if a member dies before retirement.))~~ How do I designate a beneficiary, and who will receive a distribution if I die before retirement? This section applies to Plan 2 members.

(1) ~~((As a member, you have the right to designate a beneficiary or beneficiaries to receive a benefit in the event of your death while you are an active member. You may change your beneficiary designation at any time by filing a change of beneficiary form with the department.))~~ You may designate or change a beneficiary by submitting a beneficiary designation form to the department. Your designation will become effective upon the department's receipt of the form, only if it is completed properly and signed by you and a witness.

(2) ~~((As a member))~~ You may name one or more of the following as a beneficiary or beneficiaries:

(a) An organization or person, including ~~((your))~~ unborn or later adopted children. However, unborn or later adopted children ~~((will not be included unless you))~~ must be specifically ~~((designate them))~~ designated as beneficiaries on the form. You must ~~((state))~~ indicate the date of birth for any living person you name as a beneficiary~~((+))~~.

(b) Your estate~~((+))~~.

(c) ~~((A trust in existence at the time of death.))~~ An existing trust, or a trust to be established at a later date or under your last will. If you designate a trust that is not in existence at the time of your death, or is not created under your last will, the designation will be invalid. Before making distribution to ~~((the))~~ any trust the department must receive:

(i) A copy of the entire trust document;

(ii) The name, address, telephone number of the current trustee; and

(iii) The tax identification number~~((+)~~

~~((d) A trust to be established under your last will)).~~

(3) You may name contingent beneficiaries in addition to primary beneficiaries.

(4) You may change your beneficiary designation at any time.

(5) A change in marital status may invalidate your prior designation.

(6) Your named beneficiary may not necessarily receive a distribution if you die prior to retirement. (See example

three.) Distribution is governed by RCW 41.26.510.

(7) If your surviving spouse is eligible to receive a benefit under RCW 41.26.510(2), but your spouse dies before requesting a distribution, your minor children and your spouse's minor children will receive the benefit, share and share alike, until each child reaches the age of majority. See example four.

Examples:

EXAMPLE ONE.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists the "Barbara Trust." His daughter Barbara is the trust beneficiary. He checks the box to indicate that the trust is a primary beneficiary.

Result

~~((Subject to applicable statute,))~~ At John's death, ~~((the department will consider both))~~ Ann and the Barbara Trust ~~((and daughter Ann as))~~ are the primary beneficiaries. The department will require the name of the trustee, the tax identification number, a copy of the entire trust and other information specified in this rule before distribution to the trust. Distribution is governed by RCW 41.26.510.

EXAMPLE TWO.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists his daughter Barbara personally ~~((+))~~; i.e., no trust name is provided~~((+))~~. ~~((He checks the box labeled "primary beneficiary." John misunderstands the form and rather than provide the names of the trustee or trust administrator, John writes the word "both" in the blank provided.))~~ John checks the corresponding box to indicate a primary beneficiary designation. At John's death, the department learns that John has created no trusts.

Result

~~((At John's death, the department learns that John has created no trusts. Subject to existing statute, if the~~

department receives no notice of competing claims to John's death benefit, the department will distribute the death benefit to Ann. If the department receives notice of competing claims, a court resolution may be required.)) Because John has created no trust, the designation of the Barbara Trust is void. Barbara, personally, will not be a beneficiary.

EXAMPLE THREE.

Facts

When she became a LEOFF Plan 2 member, Joan named her mother as her beneficiary. Joan later married, but did not file a new beneficiary form before she died with eleven years of service.

Result

Unless required to do otherwise by court order, the department will comply with RCW 41.26.510(2) and pay Joan's surviving spouse either a retirement allowance or lump sum. In this case, Joan's mother will not receive a distribution.

EXAMPLE FOUR.

Facts

John is a LEOFF 2 member with eleven years of service. He and his wife Mary have a total of three minor children. They have one child together, and each has one child from a previous marriage.

John and Mary were in a skydiving accident. John died instantly making Mary eligible for a benefit under RCW 41.26.510(2). However, Mary died the following week before requesting a distribution from the department.

Result

Since Mary died before requesting a distribution of John's account, John and Mary's three minor children are eligible to receive a monthly benefit, share and share alike.

AMENDATORY SECTION (Amending WSR 02-03-120, filed 1/23/02, effective 3/1/02)

WAC 415-108-315 ~~((Can I specify who can receive my benefits if I die in service?))~~ How do I designate a beneficiary, and who will receive a distribution if I die before retirement? This section applies to the designation of beneficiaries for Plan 1 and Plan 2 members' defined benefit and Plan 3 members' defined contribution accounts.

(1) ~~((You have the right to designate a beneficiary or beneficiaries to receive a benefit if you die while you are an active member. You may change your beneficiary designation at any time by filing a change of beneficiary form with the department.))~~ You may designate or change a beneficiary by submitting a beneficiary designation form to the department. Your designation will become effective upon the department's receipt of the form, only if it is completed properly and signed by you and a witness.

(2) ~~((As a member))~~ You may name one or more of the following as a beneficiary or beneficiaries:

(a) An organization or person, including ~~((your))~~ unborn or later adopted children. However, unborn or later adopted children ~~((will not be included unless you))~~ must be specifically ((designate them)) designated as beneficiaries on the form. You must ~~((state))~~ indicate the date of birth for any living person you name as a beneficiary~~((+))~~.

(b) Your estate~~((+ and/or))~~.

(c) ~~((A trust.))~~ An existing trust, or a trust to be established at a later date or under your last will. If you designate a trust that is not in existence at the time of your death, or is not created under your last will, the designation will be invalid. Before making a distribution to any trust the department must receive:

(i) A copy of the entire trust document;

(ii) The name, address, and telephone number of the current trustee; and

(iii) The tax identification number.

(3) You may name contingent beneficiaries in addition to primary beneficiaries.

(4) ~~((If you are a member of Plan 3, you may name the same or different beneficiaries for your defined benefit and defined contribution accounts.))~~ You may change your beneficiary designation at any time.

(5) A change in marital status may invalidate your prior

designation.

(6) Your named beneficiary may not necessarily receive a distribution if you die prior to retirement. (See example three.) Distribution is governed by:

(a) RCW 41.40.270 for Plan 1 members;

(b) RCW 41.40.700 for Plan 2 members; and

(c) RCW 41.34.070 for Plan 3 members.

(7) If your surviving spouse is eligible to receive a benefit under RCW 41.40.270(2) or 41.40.700(2), but your spouse dies before requesting a distribution, your minor children and your spouse's minor children will receive the benefit, share and share alike, until each child reaches the age of majority. See example four.

Examples:

EXAMPLE ONE.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists the "Barbara Trust." His daughter Barbara is the trust beneficiary. He checks the box to indicate that the trust is a primary beneficiary.

Result

~~((Subject to applicable statute,))~~ At John's death, ~~((the department will consider both))~~ Ann and the Barbara Trust ~~((and daughter Ann as))~~ are the primary beneficiaries. The department will require the name of the trustee, the tax identification number, a copy of the entire trust and other information specified in this rule before distribution to the trust. Distribution is governed by RCW 41.40.270 for Plan 1 members, RCW 41.40.700 for Plan 2 members, and RCW 41.34.070 for Plan 3 members.

EXAMPLE TWO.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists his daughter Barbara personally; i.e., no trust name is provided. John checks the corresponding box to indicate a primary beneficiary designation. At John's death,

the department learns that John has created no trusts.

Result

Because John has created no trust, the designation ((in the trust/organizational location on the form is void. Subject to existing law, the department will issue the death benefit to Ann unless it receives a notice of a competing claim. If the department receives notice of competing claims, a court resolution may be required)) of the Barbara Trust is void. Barbara, personally, will not be a beneficiary.

EXAMPLE THREE.

Facts

When she became a PERS 1 member, Joan was unmarried and named her mother as her beneficiary. Joan later married, but did not complete a new beneficiary form before she died with four years of service.

Result

Unless required to do otherwise by court order, the department will comply with RCW 41.40.270 (1)(b) and pay Joan's surviving spouse the accumulated contributions in her retirement account. In this case, Joan's mother will not receive a distribution.

EXAMPLE FOUR.

Facts

John is a PERS Plan 2 member with eleven years of service. He and his wife Mary have a total of three minor children. They have one child together, and each has one child from a previous marriage.

John and Mary were in a skydiving accident. John died instantly making Mary eligible for a benefit under RCW 41.40.700(2). However, Mary died the following week before requesting a distribution from the department.

Result

Since Mary died before requesting a distribution of John's account, John and Mary's three minor children are eligible to receive a monthly benefit, share and share alike.

AMENDATORY SECTION (Amending WSR 01-01-059, filed 12/12/00, effective 1/12/01)

WAC 415-110-315 ~~((Designation of beneficiaries--Death benefit if a member dies before retirement.))~~ How do I designate a beneficiary, and who will receive a distribution if I die before retirement? This section applies to the designation of beneficiaries for Plan 2 members' defined benefit ~~((or))~~ and Plan 3 members' defined contribution ~~((distribution))~~ accounts.

(1) ~~((As a member, you have the right to designate a beneficiary or beneficiaries to receive a benefit in the event of your death while you are an active member. You may change your beneficiary designation at any time by filing a change of beneficiary form with the department.))~~ You may designate or change a beneficiary by submitting a beneficiary designation form to the department. Your designation will become effective upon the department's receipt of the form, only if it is completed properly and signed by you and a witness.

(2) You may name one or more of the following as a beneficiary or beneficiaries:

(a) An organization or person, including ~~((your))~~ unborn or later adopted children. However, unborn or later adopted children ~~((will not be included unless you))~~ must be specifically ~~((designate them))~~ designated as beneficiaries on the form. You must ~~((state))~~ indicate the date of birth for any living person you name as a beneficiary~~((+))~~.

(b) Your estate~~((+))~~.

(c) ~~((A trust in existence at the time of death.))~~ An existing trust, or a trust to be established at a later date or under your last will. If you designate a trust that is not in existence at the time of your death, or is not created under your last will, the designation will be invalid. Before making distribution to any trust, the department must receive:

(i) A copy of the entire trust document;

(ii) The name, address, telephone number of the current trustee; and

(iii) The tax identification number~~((+))~~.

~~((d) A trust to be established under your last will)).~~

(3) You may name contingent beneficiaries in addition to primary beneficiaries.

(4) You may change your beneficiary designation at any time.

(5) A change in marital status may invalidate your prior designation.

(6) Your named beneficiary may not necessarily receive a distribution if you die prior to retirement. (See example three.) Distribution is governed by:

(a) RCW 41.35.460 for Plan 2 members; and

(b) RCW 41.34.070 for Plan 3 members.

(7) If your surviving spouse is eligible to receive a benefit under RCW 41.35.460(2), but your spouse dies before requesting a distribution, your minor children and your spouse's minor children will receive the benefit, share and share alike, until each child reaches the age of majority. See example four.

Examples:

EXAMPLE ONE.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists the "Barbara Trust." His daughter Barbara is the trust beneficiary. He checks the box to indicate that the trust is a primary beneficiary.

Result

((~~Subject to applicable statute,~~) At John's death, (~~the department will consider both~~) Ann and the Barbara Trust (~~and daughter Ann as~~) are the primary beneficiaries. The department will require the name of the trustee, the tax identification number, a copy of the entire trust and other information specified in this rule before distribution to the trust. Distribution is governed by RCW 41.35.460 for Plan 2 members, and RCW 41.34.070 for Plan 3 members.)

EXAMPLE TWO.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists his daughter Barbara personally ((+)); i.e., no trust name is provided ((+)). ((~~He checks the box labeled "primary beneficiary." John misunderstands the form and rather than provide the names of the trustee or trust administrator, John writes the word "both" in the blank provided.~~) John checks the corresponding box to indicate a primary beneficiary designation. At John's death, the)

department learns that John has created no trusts.

Result

((At John's death, the department learns that John has created no trusts. Subject to existing statute, if the department receives no notice of competing claims to John's death benefit, the department will distribute the death benefit to Ann. If the department receives notice of competing claims, a court resolution may be required.)) Because John has created no trust, the designation of the Barbara Trust is void. Barbara, personally, will not be a beneficiary.

EXAMPLE THREE.

Facts

When she became a SERS Plan 2 member, Joan named her mother as her beneficiary. Joan later married, but did not file a new beneficiary form before she died with eleven years of service.

Result

Unless required to do otherwise by a court order, the department will comply with RCW 41.35.460(2) and pay Joan's surviving spouse either a retirement allowance or lump sum. In this case, Joan's mother will not receive a distribution.

EXAMPLE FOUR.

Facts

John is a SERS Plan 2 member with eleven years of service. He and his wife Mary have a total of three minor children. They have one child together, and each has one child from a previous marriage.

John and Mary were in a skydiving accident. John died instantly making Mary eligible for a benefit under RCW 41.35.460(2). However, Mary died the following week before requesting a distribution from the department.

Result

Since Mary died before requesting a distribution of John's account, John and Mary's three minor children are eligible to receive a monthly benefit, share and share alike.

AMENDATORY SECTION (Amending WSR 00-10-015, filed 4/21/00, effective 5/22/00)

WAC 415-112-705 ~~((Designation of beneficiaries--Death benefit if a member dies before retirement.))~~ How do I designate a beneficiary, and who will receive a distribution if I die before retirement? This section applies to the designation of beneficiaries for Plan 1 and Plan 2 members' defined benefit and Plan 3 members' defined contribution accounts.

(1) ~~((As a member, you have the right to designate a beneficiary or beneficiaries to receive a benefit in the event of your death while you are an active member. You may change your beneficiary designation at any time by filing a change of beneficiary form with the department.))~~ You may designate or change a beneficiary by submitting a beneficiary designation form to the department. Your designation will become effective upon the department's receipt of the form, only if it is completed properly and signed by you and a witness.

(2) ~~((As a member))~~ You may name one or more of the following as a beneficiary or beneficiaries:

(a) An organization or person, including ~~((your))~~ unborn or later adopted children. However, unborn or later adopted children ~~((will not be included unless you))~~ must be specifically ~~((designate them))~~ designated as beneficiaries on the form. You must ~~((state))~~ indicate the date of birth for any living person you name as a beneficiary~~((+))~~.

(b) Your estate~~((+))~~.

(c) ~~((A trust in existence at the time of death.))~~ An existing trust, or a trust to be established at a later date or under your last will. If you designate a trust that is not in existence at the time of your death, or is not created under your last will, the designation will be invalid. Before making distribution to any trust the department must receive:

(i) A copy of the entire trust document;

(ii) The name, address, telephone number of the current trustee; and

(iii) The tax identification number~~((+))~~.

~~((d) A trust to be established under your last will)).~~

(3) You may name contingent beneficiaries in addition to primary beneficiaries.

(4) You may change your beneficiary designation at any time.

(5) A change in marital status may invalidate your prior designation.

(6) Your named beneficiary may not necessarily receive a distribution if you die prior to retirement. (See example three.) Distribution is governed by:

(a) RCW 41.32.520 for Plan 1 members;

(b) RCW 41.32.805 for Plan 2 members; and

(c) RCW 41.34.070 for Plan 3 members.

(7) If your surviving spouse is eligible to receive a benefit under RCW 41.32.520 or 41.32.805(2), but your spouse dies before requesting a distribution, your minor children and your spouse's minor children will receive the benefit, share and share alike, until each child reaches the age of majority. See example four.

Examples:

EXAMPLE ONE.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists the "Barbara Trust." His daughter Barbara is the trust beneficiary. He checks the box to indicate that the trust is a primary beneficiary.

Result

~~((Subject to applicable statute,))~~ At John's death, ~~((the department will consider both))~~ Ann and the Barbara Trust ~~((and daughter Ann as))~~ are the primary beneficiaries. The department will require the name of the trustee, the tax identification number, a copy of the entire trust and other information specified in this rule before distribution to the trust. Distribution is governed by RCW 41.32.520 for Plan 1 members, RCW 41.32.805 for Plan 2 members, and RCW 41.34.070 for Plan 3 members.

EXAMPLE TWO.

Facts

John, a member, completes a beneficiary designation form.

In the place on the form reserved for persons, he names his daughter Ann. He checks the box to indicate that Ann is a primary beneficiary.

In the place on the form reserved for trust/organizational beneficiaries, he lists his daughter Barbara personally ~~((+))~~; i.e., no trust name is provided~~((+))~~. ~~((He checks the box labeled "primary beneficiary." John misunderstands the form and rather than provide the names of the trustee or trust~~

administrator, John writes the word "both" in the blank provided.)) John checks the corresponding box to indicate a primary beneficiary designation. At John's death, the department learns that John has created no trusts.

Result

((At John's death, the department learns that John has created no trusts. Subject to existing statute, if the department receives no notice of competing claims to John's death benefit, the department will distribute the death benefit to Ann. If the department receives notice of competing claims, a court resolution may be required.)) Because John has created no trust, the designation of the Barbara Trust is void. Barbara, personally, will not be a beneficiary.

EXAMPLE THREE.

Facts

When she became a TRS 1 member, Joan was unmarried and named her mother as her beneficiary. Joan later married, but did not complete a new beneficiary form before she died with four years of service.

Result

Unless required to do otherwise by a court order, the department will comply with RCW 41.32.520(1) and pay Joan's surviving spouse the accumulated contributions in her retirement account. In this case, Joan's mother will not receive a distribution.

EXAMPLE FOUR.

Facts

John is a TRS Plan 2 member with eleven years of service. He and his wife Mary have a total of three minor children. They have one child together, and each has one child from a previous marriage.

John and Mary were in a skydiving accident. John died instantly making Mary eligible for a benefit under RCW 41.32.805(2). However, Mary died the following week before requesting a distribution from the department.

Result

Since Mary died before requesting a distribution of John's account, John and Mary's three minor children are eligible to receive a monthly benefit, share and share alike.